Mobile Consumer Survey 2014
The Australian Cut
Revolution and Evolution
Foreword

Our need to be connected – always ‘on’ – has triggered a collective and growing dependency on mobile devices and services.

In this inaugural survey of approximately 2,000 Australian mobile consumers – part of a global Deloitte four year longitudinal study of 37,000 consumers spanning 22 countries – six emerging trends are discussed. Based on survey findings, Australia is the sixth most concentrated smartphone market in the world after Singapore, South Korea, Norway, Spain and Sweden.

In our report we review the six trends and explore how they are important for all businesses whether finance, retail, technology or telecommunications.

• Wake up and connect – Smartphone penetration is growing (ref: Table 1) and our dependence is continuing to intensify. For millions of us, the first thing we do when we wake is to reach for our phone and connect. Most generations interact with their phones constantly throughout the day and many of us unashamedly look at our phones last thing before falling asleep.

• Smartphones…a nation divided – the smartphone market in Australia is dominated by two players: Apple and Samsung. The iPhone is the clear winner for those aged 45 or younger and lower cost Android based handsets the preference for baby boomers. Both Apple and Samsung consumers, are fiercely loyal, opting to stay with their ‘brand’ and upgrade ‘within the brand family’ on their next purchase.
The messaging wave is still to come – Instant messaging has been one of the most talked about and anticipated services this year globally. In many countries text messaging via short messaging service (SMS) has declined in favour of mobile instant messaging (MIM). In Australia, SMS is the predominate form of messaging services and MIM services are still only used by a minority of phone users so the messaging wave is yet to come.

WiFi or 4G – can you tell the difference? – WiFi is the way most of us connect to the internet on our smartphones. This preference is largely driven by us ‘piggybacking’ on our home, work or school broadband connections. When we are away from this ‘free’ WiFi connectivity we revert to our mobile network.

Australia is one of the leading countries in smartphone adoption, with penetration higher than the US and UK.

**Smartphone penetration (developed countries)**

- Singapore: 89%
- South Korea: 88%
- Norway: 87%
- Spain: 85%
- Sweden: 82%
- Australia: 76%
- Italy: 76%
- Netherlands: 71%
- United Kingdom: 70%
- Germany: 68%
- France: 65%
- Finland: 65%
- United States: 58%
- Japan: 44%
Australian survey respondents’ use of 4G networks is more than the global average and most say that the 4G experience is either comparable to or better than WiFi. However, a large percentage of respondents don’t see any difference in speed between 3G, 4G and WiFi and don’t feel 4G is particularly important when selecting a mobile operator

- **Who do you trust with your money on mobile?** – Many Australians have a love-hate relationship with their banks. But as our desire for more accessible, secure and instant banking services increases, most of us only trust our banks with these transactions. Our use of mobile payment apps are at a considerably earlier stage in Australia than mobile banking apps, but with recent entrants into the payments space and a clear appetite for use we expect many consumers to be waving their mobiles for payments in the year ahead

- **Like, share, tweet...repeat** – In an increasingly online social world, our smartphones are becoming one of the most important ways we connect with each other – and our smartphone usage is arguably both growing and enriching our social interactions. Social media is a critical part of the mobile experience for most Australian mobile consumers. Despite lagging some countries in the use of social media on smartphones, Australian consumers under 45 are ahead of the global trends.

The information and insights in this report are important for technology, media and telecommunications businesses – but not exclusively so. The challenges of anticipating and responding to mobile and digital consumers’ evolving behaviours and patterns impacts across all sectors. We hope you find this report interesting and useful as you determine your responses to these changes.

Looking forward to connecting...

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Deloitte
Wake up and connect

Smartphones… a nation divided

The messaging wave is still to come

Like, share, tweet... repeat

WiFi or 4G? Can you tell the difference?

Who do you trust with your money on mobile?
Section one
Wake up and connect
It should not come as a surprise that smartphones for the majority of Australians, are an integral part of our lives. But the extent and intensity of the relationship that we have with our smartphones is worth noting – many of us connect to our device within 5 minutes of waking and check or interact with our phones more than twice an hour on average, and some of us do so more than 200 times a day.
Reconnecting when we wake up is as important to our morning routine as our long black or flat white with nearly 50% of us checking our phones within 15 minutes of waking. For 22% of users under 25, checking their smartphone is the first thing they do each day.

Q. Typically how long is the interval between you waking up and looking at your smartphone for the first time (not including turning off your phone’s alarm clock)?
SMS is the first thing we check on our smartphones every day – but for users under 35s, it’s engaging their social network that takes the top spot.

Q. Typically, what is the first thing you access on your smartphone every day? (smartphone owners)

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When you wake…

What are you looking at

Can’t put it down

Be it essential to our daily routine, a habit that we can’t shake, or the fear of missing out – #FOMO – we are addicted to our devices. On average we check our phone more than twice every hour with many of us, particularly those aged 18–24, interacting more than 50 times a day.

Q. How many times would you estimate you look at your phone in a day?
Smartphones: always checking in

About a third of Australian adults that own a smartphone (~5 million people¹) look at their phone within five minutes of waking and nearly half within 15 minutes. Checking SMS is the first thing we do on our smartphones, followed by email and then social networks.

These behaviours continue throughout the day, as we don’t seem to be able to leave our smartphones alone. About 15% of Australian adults interact with their phone more than 50 times a day. Not surprisingly, there is a gap in usage between age groups, with 18-24 year olds checking their device on average 63 times a day and 65–75 year olds checking their device only nine times a day.

Such high dependence on being connected has implications across advertising, entertainment, communications and many other sectors. Constant connectivity requires increasing bandwidth and quality of service from telecommunications providers. Buying habits and patterns are increasingly affected
by our social network and we are using mobile technologies to take control of our entertainment experience. Our increasing use of and dependence on our smartphones to remain connected and facilitate a growing number of mobile services will test network operators’ capacity plans and investments. Consumers are gaining confidence in how everyday services can be delivered through smartphones creating even greater opportunity for device manufacturers, app developers and the consumer marketplace at large.

**Bottom line**

The smartphone has rapidly become the device of choice for the connected experience that most Australians cannot live without. Younger users are increasingly using social media to connect and do so significantly more than older respondents. This frequency of interaction provides greater marketing opportunity but also greater opportunity for dissatisfaction with quality of service.
Section two
Smartphones... a nation divided
Be it Holden versus Ford or Sydney versus Melbourne – Aussies love a rivalry. In the Australian smartphone market Apple versus Samsung is as fierce and dominant as they come. Both companies are competing through innovation to maintain their brand-loyal smartphone customer base. Investment in features (e.g. camera pixilation, battery life) and extended ecosystems (e.g. tablets, wearables, app platforms) are an attempt to prevent customers from jumping ship.

In reality most of us have seen the advantages of choosing one or the other, and changing is the last thing we want to do.
Apple and Samsung dominate the Australian smartphone market. Apple has an admirable position among younger consumers, but cannot remain static given the dominant position that Google’s Android operating system has in Australia.³

Q. What is the brand and model of your current smartphone?
Smartphones...a nation divided

Both Apple and Samsung users are brand ‘sticky’, ~80% of Apple and ~60% of Samsung users remain loyal to their previous handset. The other 3 main device providers appear to be finding it harder to hang on to customers through device proposition alone.

Q. What are the brands of your current and previous handsets?

- Apple: 78% of current Apple smartphone users had an Apple as their previous handset
- Samsung: 62% of current Samsung smartphone users had a Samsung as their previous handset
- HTC: 33% of current HTC smartphone users had an HTC as their previous handset
- Nokia: 27% of current Nokia smartphone users had a Nokia as their previous handset
- Sony: 25% of current Sony smartphone users had a Sony as their previous handset
In a marketplace with 58% of smartphone owners changing their device at least twice over the last five years and 26% of us making the switch three or more times, there is an opportunity for device manufacturers to lure new consumers.

Q. In the last five years, how many times have you changed your smartphone?

Q. In the next 5 years, do you intend to change your smartphone more frequently, less frequently or about the same?

~58% of smartphone owners have changed their phone twice or more in the past five years – this is consistent with the average contract cycle of which ~66% of smartphone users are on.

~86% of us are likely to change our phones either more frequently or with the same frequency as we have been in the past.
Given our demanding and ‘always-on’ usage profile, it is not surprising that battery life is the most important factor that we look for in our next smartphone purchase.

Q. When choosing your next smartphone, which, if any, of the following will be the most important for you?

- Battery life: 31%
- Price of device: 27%
- Monthly payment/contract cost: 22%
- Internet access: 21%
- Camera quality: 16%
- Design and build quality: 14%
- Brand: 13%

Device manufacturers’ challenges with the limited battery life of smartphones is a significant focus for consumers.
A two party race tied to ecosystems and operator contract cycles

According to Australian survey respondents, Apple is leading smartphone penetration in Australia at 38%² and Samsung at 32% (note: this survey was fielded just before the launch of the iPhone 6). Apple’s device share is driven largely by its dominance with younger users. Apple’s Australian penetration is slightly below the US and UK markets where Apple’s device share is between 40–45%; in other markets such as France and Germany Apple holds less than a 25% share.²

However, Google’s Android is the most widely adopted operating system globally³ – which we will watch keenly – to see if this plays out in the Australian market and is enough to convert otherwise Apple-loyal customers to a new device running on Android.
Our survey found that amongst users purchasing a new device, Apple retains 78% compared to Samsung’s 62%. Nokia, HTC and Sony are all struggling to keep up, retaining just a quarter of their users.

Battery life has topped the list (at 31%) as the most important factor that will influence our next smartphone purchase, price is a close second (27%). This is not a surprise given our demanding usage and interaction behaviours.

The consumer will be the ultimate winner from the rivalry between Apple and Samsung. Continued innovation in devices, more impressive operating systems and greater connectivity with extended ecosystems are all to be expected.

**Bottom line**

The smartphone has now become almost ubiquitous, with most users on their second or third device. Most of us are locked in as brand loyalists to an operating ecosystem and rarely switch between the two main players. In Australia, our refresh cycle for smartphones is largely based on operator contract cycles. Operators are beginning to look at new plans and marketing efforts that cater for more frequent refresh options. We expect these moves could increasingly mimic manufacturer release cycles to attract and retain early adopters and brand loyalist and take advantage of the significant investments in launch marketing by the dominant players.
Section three
The messaging wave is still to come
The messaging wave is still to come

Mobile Instant Messaging (MIM) services have grabbed the headlines this year, partly because of heavily inflated company valuations and the growth in data usage volumes. While MIM is far from displacing SMS as the primary form of messaging in Australia, its success in other markets and attractiveness to younger users suggests a shift.

Australian network operators can learn from overseas where MIM has taken off. New products and pricing strategies as well as network planning approaches are some of the things to consider before the wave breaks.
The messaging wave is still to come

Whilst the messaging data wave is yet to break in Australia – the swell is building as MIM services like WhatsApp, iMessage, WeChat and Snapchat capture the imaginations of younger survey respondents in particular.

Q. In the last 7 days, in which of the following ways did you use your smartphone to communicate with others?
Australia’s loyalty to SMS remains strong and defies industry expectations that MIM services would have already taken off. 72% of respondents use SMS as their only means of messaging, whereas just 3% have made the full switch to using MIM only.

Q. In the last 7 days, in which of the following ways did you use your smartphone to communicate with others?

Exponential Growth
Consider the impact on MIM in terms of data growth. MIM users are usually members of multiple large social groups, who often send images to the group. When this occurs the mobile networks begin replacing email and social media for broadcasting images taken on high megapixel cameras to multiple individuals. Where SMS was one to one, MIM is one to many.
The messaging wave is still to come

The wave has broken for MIM in many countries. MIM uptake is fast approaching or overtaken SMS levels in over half of the countries surveyed. Australia is a MIM laggard amongst surveyed countries.

Q. In the last 7 days, in which, if any, of the following ways did you use your smartphone to communicate with others?

- MIM SMS

The MIM wave has hit these countries

- Spain 84%
- Singapore 79%
- Netherlands 68%
- Italy 66%
- China 71%
- South Korea 64%
- Germany 61%
- Japan 42%
- Finland 40%
- Norway 33%
- Sweden 32%
- Great Britain 31%
- Russia 27%
- Australia 25%
- USA 19%
- France 16%
The messaging wave is still to come

Uptake of MIM services is largely driven by whether or not our friends and family are using it, the ‘free’ factor (i.e. SMS is seen as more expensive) and the availability of features on MIM that are not available on SMS.

Q. You told us that compared to 12 months ago, you use instant messaging more frequently. Which, if any, of the following describe why?

- My friends/family are using it: 62%
- Cheaper than sending an SMS: 52%
- I can use it on Wi-Fi: 51%
- Communicate with groups: 49%
- To communicate with those that live: 46%
- It’s easier than using sms to send: 39%
- I can see when my messages are: 35%
- It is easier to use than sms: 33%
- I can see who is online/available: 26%
- I can send emoticons/stickers: 24%
- To stay within my sms allowance: 18%
- I can play games with my friends: 12%
- I can use it to access apps: 12%
- I can use it to access other services: 5%
- Other: 2%
MIM: a complement and competitor to SMS

According to our survey results, Australians are still riding the SMS wave, with respondents overwhelmingly using SMS more than MIM. Australia’s preference for SMS (72% using SMS only) defies industry expectations that MIM would flourish at the expense of profitable SMS.

Having said this, volume growth in MIM usage is predicted to increase significantly. The Deloitte TMT Predictions 2014 report states that in 2014 instant messaging services on mobile phones will carry more than twice the volume (~50 billion) of messages sent compared to short messaging service (SMS). This is a significantly greater ratio than in 2012, when 1:1 instant messages were sent for every text message. MIM usage, and its anticipated growth, is linked to our increasing use of social networks messaging. We are social beings and most often (62%) cite our increased adoption of messaging services as based on whether our friends and family are using them.
The messaging wave is still to come

Younger age groups use MIM most, with a consequent drop in voice usage. 73% of 18–24 year olds are using their smartphone for phone calls, compared with 88% of 35–44 year olds. As the messaging trend continues to spread across other age groups there will be significant increases in data usage. Handset data downloads have increased by 97% in the year leading up to 30 June 2014. And while voice services are still the dominant source of revenue for mobile network operators, they may soon be overtaken by mobile data revenue.

Bottom line

As integration of MIM with social media increases, and mobile device app and OS designers look to integrate MIM and voice solutions over data, we expect an accelerated uptake of these services.

In the meantime, there is not a burning platform (e.g. cost) driving MIM growth here in Australia as in other countries. Uptake will largely be driven by trends within the social context.

However, as uptake grows, there will be a natural shift from SMS to MIM and an associated decline in traditional voice as communication preferences evolve.
Section four
WiFi or 4G?
Can you tell the difference?
WiFi or 4G? Can you tell the difference?

WiFi is how we most frequently connect our smartphones to the internet. But given our dependence on being constantly connected, we are just as happy using mobile networks.

Uptake of 4G network services is higher in Australia than in many other countries with many users recognising the benefits the network provides. That said, 4G is not necessarily a draw factor for us when selecting a network operator.
We use WiFi to connect to the internet on our smartphone more than using mobile networks. Limited access to ‘free’ WiFi away from our ‘home’ networks is supplemented by jumping on to ‘mobile’ networks to enable our growing dependence to being constantly connected.

Q. Thinking about how you connect your smartphone to the Internet, which type of connectivity do you use most often?

Connectivity used most on smartphone

<table>
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<td>Wi-Fi</td>
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<tr>
<td>Mobile network via 2G/3G/4G</td>
<td>41%</td>
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<tr>
<td>Don’t know</td>
<td>3%</td>
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Q. How do you connect your smartphone to the Internet?

Connectivity used on smartphone

<table>
<thead>
<tr>
<th>Connectivity</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Wi-Fi at home, at work, or place of study</td>
<td>76%</td>
</tr>
<tr>
<td>Mobile network via 2G/3G/HSDPA</td>
<td>50%</td>
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<tr>
<td>Wi-Fi in a public space</td>
<td>38%</td>
</tr>
<tr>
<td>Mobile network via 4G/LTE</td>
<td>33%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>1%</td>
</tr>
</tbody>
</table>
Despite our preference for WiFi, 4G speeds are rated by users as faster when commuting, out and about, and at home.

Q. How do the 4G speeds on your phone compare with WiFi speeds in the following places?

- **At home**: 38% 4G speeds are faster, 44% The speed is about the same, 18% 4G speeds are slower
- **When out and about**: 47% 4G speeds are faster, 40% The speed is about the same, 13% 4G speeds are slower
- **When commuting**: 50% 4G speeds are faster, 34% The speed is about the same, 16% 4G speeds are slower

*Note: those that responded ‘Don’t know’ have been removed from this analysis*
WiFi or 4G? Can you tell the difference?

The majority of users rate the speeds they are achieving on their 4G service as faster than earlier networks, but 36% of users are still not convinced.

Q. How would you rate the 4G/LTE service you subscribe to compared to the speeds you were previously getting when using your mobile network?

- 64% The speeds on my phone are faster
- 33% There is no difference in the speed
- 36% of users not yet convinced that speeds on 4G are better than 3G
- 3% The speeds are slower
WiFi or 4G? Can you tell the difference?

OVERVIEW  DATA  INSIGHTS

4G: as expected but not fully appreciated

WiFi is the way we most frequently connect our smartphones to the internet. With 56% of smartphone users preferring WiFi, Australia ranks in the top half of the countries surveyed. But remaining constantly connected is very important to Australians and we are just as happy using our mobile networks to do so when out and about.

Our increasing dependence on WiFi is so strong that there has been debate as to whether to add it to Maslow’s Hierarchy of Needs! Whilst this may seem extreme, it could be argued that there is some merit when considering personal safety, social needs, and the sense of belonging and self esteem that many applications make possible over WiFi.

Although 31% of respondents have a 4G-capable smartphones only about half are currently subscribed to a 4G network (18%). This uptake is ahead of many countries including the UK (8%) but is well behind Singapore (45%), Korea (44%) and the US (34%).
As more than a third of respondents do not notice a difference in speed between 3G and 4G networks – a trend that is consistent in many countries – they do not place much value in gaining access to 4G networks when shopping for a network provider. Australians have very high expectations of their network operators and have a sense of ‘entitlement’ for the speed and quality of the service that is delivered’. Only 8% of respondents listed 4G services as the reason they selected their current operator and even fewer users (7%) would change operators for 4G. Price of monthly subscriptions is the most cited reason for selecting an operator (25%) and moving to a new operator (34%).

Approximately 30% of people are satisfied with their home internet speed. For most, the experience on 4G is comparable or better than WiFi, which we expect will remain the case until the NBN is more widespread.

**Bottom line**

According to the survey, 4G is not considered a differentiator by respondents, and operators are typically not able to charge a premium for 4G services. Speeds over 3G, 4G and WiFi are not noticeably different for a large proportion of the respondents, removing the incentive for upgrading to a 4G handset and renewed contract.
Section five
Who do you trust with your money on mobile?
Who do you trust with your money on mobile?

Australia is a relatively early adopter of mobile banking services compared with US and the UK, however we are well behind adoption levels in many Asian and Scandinavian countries. Despite our sometimes prickly relationship with the banks, the increasing demand for more accessible, secure and reliable mobile payment and banking services, means we look to our bankers to enable them.
Who do you trust with your money on mobile?

More than half of Australian survey respondents have used mobile banking in some form on their smartphone. And although we have adopted the electronic wallet ahead of many developed nations, retailers are yet to catch up.

Q: Have you ever used your smartphone for mobile banking services?
Checking our bank balance is the most common banking service we use our smartphone for. Although a third of Australian survey respondents have transferred money or made an online purchase using the smartphone.

Q. Have you ever used your smartphone for any of the following?
Even though Aussies love a good bit of ‘bank-bashing’, it seems that when it comes to mobile banking, the banks are trusted and our preferred choice to process mobile banking transactions.

Q. Who would you prefer to process your mobile money transfer service?
Who do you trust with your money on mobile?

Although the uptake of mobile payments has been slower than many analysts were forecasting, a willingness to use our smartphone to pay in shops exists in Australia for at least 35% of survey respondents, most prevalent amongst younger age groups.

Q. If a solution whereby you would be able to pay in shops by using your mobile phone, would become available, would you use it?

The extent to which the willingness for mobile payments translates into actual transactions here in Australia will likely depend on:

- The ease of use for both the consumer and retailer
- Alternative solution uptake including the continued rise of contactless cards
- Whether or not Apple’s demonstrated ability to change consumer behaviour is achieved through its recently launched Apple Pay solution — many think it can
- How secure the solutions are and the perception managed
- Effective education of available uses for mobile payments.
Half of the Australian survey respondents see benefit in using their mobile for payments in certain situations. Paying for parking and public transport were the most common uses identified.

Q. In which of the following scenarios would you find it beneficial to pay by using your mobile?
Do the banks have it all locked up?

The money transfer services deployed by mobile operators in some underdeveloped markets have prompted many commentators to predict similar adoption patterns in developed markets. However, the unbanked population and lack of alternatives are the principal reasons for the uptake of mobile money transfer in developing markets such as Africa. In Australia, transferring money is simple via online banking or mobile banking apps, with almost a third of respondents having used mobile apps to transfer money.

Our big 4 banks’ early moves into online and mobile banking has left little room for new entrants, but this may not be the case with mobile payments. Although 73% of respondents would prefer to use their bank for transferring money by mobile, it is possible that alternate providers could disrupt this space.
Who do you trust with your money on mobile?

OVERVIEW  DATA  INSIGHTS

Three years ago analysts forecast the global annual value of transactions via mobile payment apps and enabled by Near Field Communications (NFC) technology would reach $40-$50 billion globally by 2014.\(^8\) However, deployment and uptake has been slower than anticipated with transaction values in 2014 expected to be less than $10 billion.\(^9\) Various solutions have been trialled by banks, financial institutions, mobile operators and retailers, but none have made any significant inroads.

In Australia, mobile payment apps are at a considerably earlier stage of deployment than mobile banking apps, due to the limited availability of NFC-enabled phones. We expect this to change with the NFC enabled Apple iPhone 6/6+.

Mobile payment transactions are likely to increase in Australia as regulatory changes hit the payment market for credit card issuers, new payment systems enable loyalty programs to link to mobile payments and contactless readers become more widespread in shops. The likely disruption that Apple Pay\(^10\) will have on a brand-loyal user base may also boost the volume of payments over mobile to reach the levels analysts forecast.

Bottom line

While most mobile money transfer services in Australia are dominated by the banks, mobile payments are at an earlier stage of development. However Operators need to be aware that for many shoppers, using mobile payment apps will not seem any more convenient than contactless cards, and uptake may be slow until the benefits are more clearly understood. Cross-sector collaboration with payment providers, financial institutions, public transport providers, retailers, restaurants, and the local coffee shop will be required to make these services widely available.
Section six
Like, share, tweet...repeat
Australians are active users of social networks compared to the rest of the world. For users under 35, using social media to connect and communicate is core to the mobile experience and is what we like to do when watching our favourite shows on TV.

However, as a nation we lag many countries in using our smartphone to facilitate social media, opting for alternate devices to like, share, or tweet.

As smartphone penetration continues to increase in those over 45, we can expect their take up of social media to increase and usage of social networks to follow suit.
54% of Australians update or check their social networks daily\textsuperscript{11} with 44% of us doing so on our smartphone. Respondents under 45 use their smartphones to check their social networks more than the global average, but as a nation we lag many countries in our use of this communication combination.

Q. In the last 7 days, in which, if any, of the following ways did you use your phone to communicate with others? (Data below focuses on social media use only)
Like, share, tweet...repeat

OVERVIEW  DATA  INSIGHTS

How social are we?

How we entertain ourselves

An ‘elder’ wave to come?

Our smartphone is the device most often used to dual-screen when watching TV – ahead of our laptop and tablets. And checking social networks on our smartphone is one of our favourite multi-tasking activities while watching TV.

Q. Which of the following did you do on your phone yesterday while watching TV?

- Check my social networks feed: 34%
- Check email: 33%
- Play games: 21%
- Text my friends about something else than what’s on TV: 20%
- Call my friends: 15%
- Use other apps (news, etc.): 12%
- Search for information not related to the program I’m watching: 12%
- Shop online: 9%
- Search for information related to what I am currently watching on TV: 11%
- Discuss what I’m watching with other people (via social media instant messaging): 8%
- Search for information about an ad that I saw on TV: 7%
- Watch videos: 6%
- Interact with the program that I am watching via an app: 4%

The Deloitte Media Consumer Survey 2014 revealed that overall, only 21% of multi-tasking activities directly relate to the program being watched. This is on par with the US (22%), Italy (22%) and Spain (20%), but lags behind respondents in Germany (41%) and China (30%) who are more likely to multi-task in relation to the program being watched.
As we continue to see smartphone penetration increase in the over 45 age group it is likely that we will see a corresponding increase in social media usage. Don’t be surprised to be ‘friended’ by your grandma soon, if it has not happened already.

Q. Which, if any, of the following devices do you own or have ready access to?
Q. In the last 7 days, in which of the following ways did you use your smartphone to communicate with others?
The crossroads of social and mobile

More than half of us update or check our social media between one and 20+ times a day. This is up 170% since last year.¹

Australia’s largest social network is Facebook with approximately 13 million unique visitors to the site per month, which represents about 57% of the total population and around 1% of the global network. A large portion of Facebook and other social media users under 35 use the service to stay in touch with friends, family, colleagues, thought leaders, celebrities and acquaintances.

The crossroads of social and mobile offers users the ability to connect with context. This means tagging locations, sharing images and videos and providing information about the environment around you (be that at work, the shopping mall or in front of your TV). There are a number of contextual based apps which offer different experience to traditional
social networks. These include Instagram (approximately 2 million users) and SnapChat (approximately 1 million users) which are growing in popularity both in Australia and abroad.¹²

As contextual information continues to become richer as a result of wearable devices (e.g. sharing heart beats, height, smells, etc.) the cross-road of social and mobile will continue to change. We expect that the user base of traditional social media channels to evolve as new ways to connect appear and older generations become more familiar with social media.

**Bottom line**

Accessing social media on mobile is a core part of the mobile experience for under 35s in Australia. Future trends in shopping, entertainment, advertising, messaging and our work will all be impacted by this shift.

Smartphone penetration into older generations is likely to lead to growth in social media penetration, particularly as messaging and other services are facilitated by social networks.
The Australian Cut is part of Deloitte’s Global Mobile Consumer Survey, a multi-country study of mobile phone users and usage around the world. The 2014 study comprises of 37,000 respondents across 22 countries and five continents.

Data cited in this report is based on a nationally representative sample of approximately 2,000 Australia consumers aged 18–75. Field work took place in May 2014 and was carried out online by Ipsos, an independent research firm, based on a question set provided by Deloitte. We also refer to our Deloitte Media Consumer Survey 2014\(^\text{11}\) and our Technology, Media & Telecommunications Predictions 2014.\(^\text{4}\)

This report provides a perspective on the insights that the survey has revealed. Additional analyses including: reasons for buying mobile devices, reasons for joining/leaving mobile operators, attitudes towards triple/quad play, our responses to mobile advertising, tablet usage and other views on the mobile consumer market.

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2. The exact Apple market share percentage varies depending which source is used. Kantar Worldpanel ComTech recorded Apple’s market share at 27% on July 2014. Market share for Apple in the following 2 articles is listed as ~42%. The UK number is taken from the UK version of this survey. See: [www.cultofmac.com/286237/iphone-1-smartphone-u-s-market-share/](http://www.cultofmac.com/286237/iphone-1-smartphone-u-s-market-share/) and [www.appleinsider.com/articles/14/01/16/apples-iphone-now-represents-42-of-smartphones-owned-in-the-us---npd](http://www.appleinsider.com/articles/14/01/16/apples-iphone-now-represents-42-of-smartphones-owned-in-the-us---npd)


5. Mobile handset subscribers has increased by 5% in the year leading up to June 30 2014, handset data downloads has increased by 97% in this same time period. See: [www.abs.gov.au/ausstats/abs@.nsf/mf/8153.0](http://www.abs.gov.au/ausstats/abs@.nsf/mf/8153.0)


